

**Office of the Attorney General and Reporter  
For the Year Ended  
June 30, 2000**

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Financial/compliance audits of state departments and agencies are available on-line at  
[www.comptroller.state.tn.us/sa/reports/index.html](http://www.comptroller.state.tn.us/sa/reports/index.html).  
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[www.comptroller.state.tn.us](http://www.comptroller.state.tn.us).



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**

State Capitol  
Nashville, Tennessee 37243-0260  
(615) 741-2501

John G. Morgan  
Comptroller

August 6, 2001

Members of the General Assembly  
State Capitol  
Nashville, Tennessee 37243

and

The Honorable E. Riley Anderson  
Chief Justice of the Supreme Court  
307 Supreme Court Building  
Nashville, Tennessee 37243

and

The Honorable Paul G. Summers  
Attorney General and Reporter  
114 John Sevier Building  
Nashville, Tennessee 37243

Ladies and Gentlemen:

Transmitted herewith is the financial and compliance audit of the Office of the Attorney General and Reporter for the year ended June 30, 2000.

The review of management's controls and compliance with policies, procedures, laws, and regulations resulted in no audit findings.

Sincerely,

John G. Morgan  
Comptroller of the Treasury

JGM/mb  
01/097



**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF STATE AUDIT  
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August 6, 2001

The Honorable John G. Morgan  
Comptroller of the Treasury  
State Capitol  
Nashville, Tennessee 37243

Dear Mr. Morgan:

We have conducted a financial and compliance audit of selected programs and activities of the Office of the Attorney General and Reporter for the year ended June 30, 2000.

We conducted our audit in accordance with government auditing standards generally accepted in the United States of America. These standards require that we obtain an understanding of management controls relevant to the audit and that we design the audit to provide reasonable assurance of the office's compliance with the provisions of policies, procedures, laws, and regulations significant to the audit. Management of the Office of the Attorney General and Reporter is responsible for establishing and maintaining internal control and for complying with applicable laws and regulations.

Our audit resulted in no audit findings. We have reported an insignificant matter involving the office's internal controls to management in a separate letter.

Sincerely,

Arthur A. Hayes, Jr., CPA  
Director

AAH/mb

State of Tennessee

# Audit Highlights

Comptroller of the Treasury

Division of State Audit

Financial and Compliance Audit  
**Office of the Attorney General and Reporter**  
For the Year Ended June 30, 2000

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## AUDIT SCOPE

We have audited the Office of the Attorney General and Reporter for the period July 1, 1999, through June 30, 2000. Our audit scope included a review of management's controls and compliance with policies, procedures, laws, and regulations in the areas of revenue, expenditures, equipment, payroll and personnel, and tax refund reviews. The audit was conducted in accordance with government auditing standards generally accepted in the United States of America.

## AUDIT FINDINGS

The audit report contains no findings.

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"Audit Highlights" is a summary of the audit report. To obtain the complete audit report, please contact

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**Audit Report**  
**Office of the Attorney General and Reporter**  
**For the Year Ended June 30, 2000**

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# **Office of the Attorney General and Reporter For the Year Ended June 30, 2000**

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## **INTRODUCTION**

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### **POST-AUDIT AUTHORITY**

This is the report on the financial and compliance audit of the Office of the Attorney General and Reporter. The audit was conducted pursuant to Section 4-3-304, *Tennessee Code Annotated*, which authorizes the Department of Audit to “perform currently a post-audit of all accounts and other financial records of the state government, and of any department, institution, office, or agency thereof in accordance with generally accepted auditing standards and in accordance with such procedures as may be established by the comptroller.”

Section 8-4-109, *Tennessee Code Annotated*, authorizes the Comptroller of the Treasury to audit any books and records of any governmental entity that handles public funds when the Comptroller considers an audit to be necessary or appropriate.

### **BACKGROUND**

The Attorney General and Reporter provides legal representation for the State of Tennessee. Through the exercise of his common law and statutory powers, the Attorney General oversees all civil litigation in which the State of Tennessee is interested, handles all appellate matters involving the state, and advises the General Assembly and all state constitutional officers and state officials. In addition, the Attorney General and Reporter carries out other duties and attends to other interests of the state as required by law and the public interest.

An organization chart of the office is on the following page.

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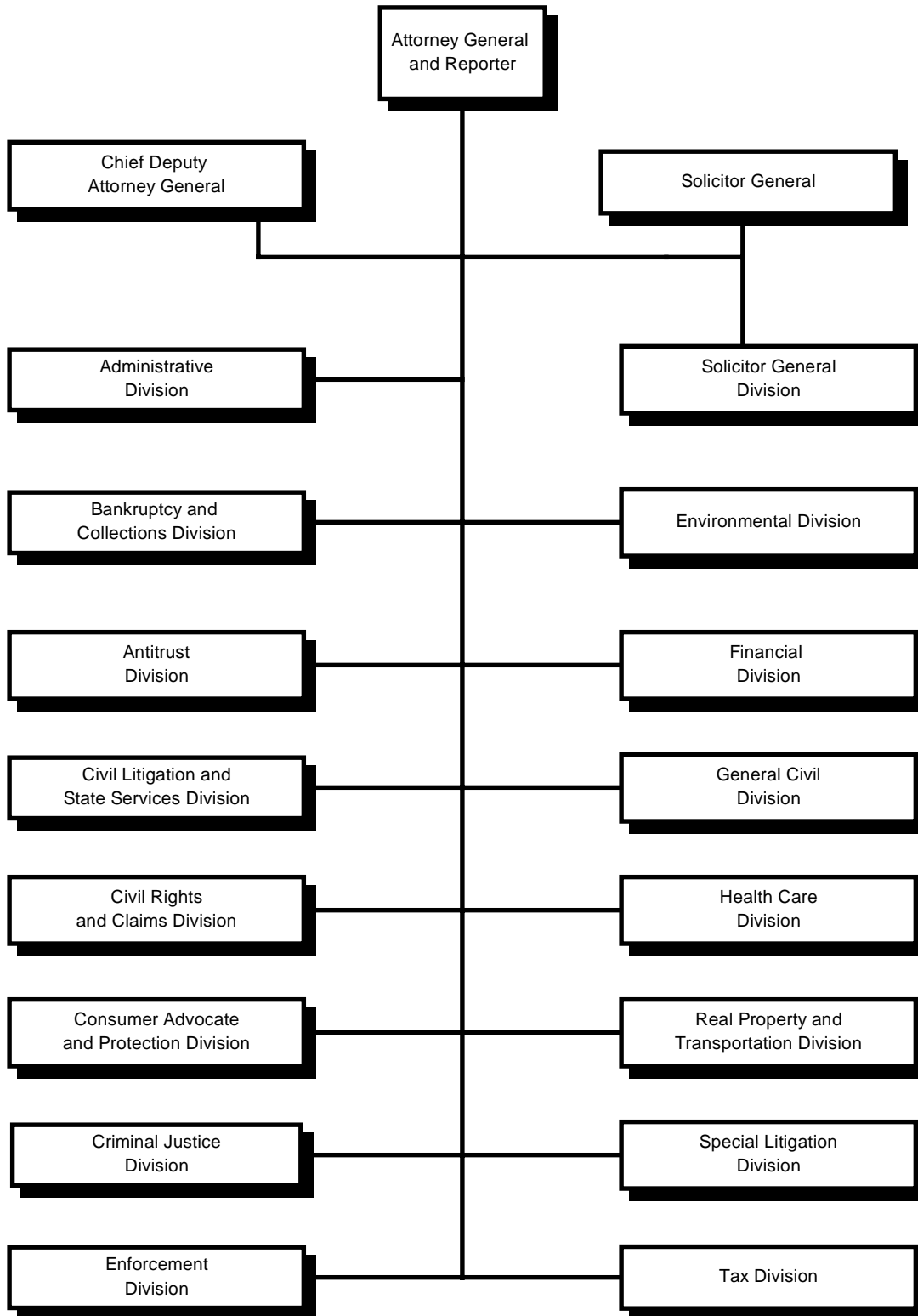
## **AUDIT SCOPE**

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We have audited the Office of the Attorney General and Reporter for the period July 1, 1999, through June 30, 2000. Our audit scope included a review of management’s controls and compliance with policies, procedures, laws, and regulations in the areas of revenue, expenditures, equipment, payroll and personnel, and tax refund reviews. The audit was conducted in accordance with government auditing standards generally accepted in the United States of America.

# Office of the Attorney General and Reporter

## Organization Chart





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## **PRIOR AUDIT FINDINGS**

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There were no findings in the prior audit report.

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## **OBJECTIVES, METHODOLOGIES, AND CONCLUSIONS**

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### **REVENUE**

The objectives of our review of the controls and procedures for revenue were to determine whether

- revenue received was properly deposited in a timely manner and was properly recorded;
- revenue records were reconciled to the State of Tennessee Accounting and Reporting System (STARS);
- billings were for the correct amount and were properly supported and processed; and
- transfers of contingent revenue to earned revenue were made in a timely manner, consistent with court orders.

Key personnel were interviewed to gain an understanding of the office's procedures and controls over revenue. A nonstatistical sample of revenue transactions was selected and tested. Journal vouchers were obtained and reviewed for reasonableness and adequate support.

Based on our interviews, review of supporting documentation, and testwork, we determined that revenue received was properly deposited in a timely manner and was properly recorded, revenue records were reconciled to STARS, billings were for the correct amount and were properly supported and processed, and transfers of contingent revenue to earned revenue were made in a timely manner, consistent with court orders.

### **EXPENDITURES**

The objectives of our review of the controls and procedures for expenditures were to determine whether

- recorded expenditures were for goods or services that were properly authorized, supported, and processed;

- payments for travel and cellular phones were made in accordance with applicable policies; and
- expenditure records were reconciled to the State of Tennessee Accounting and Reporting System (STARS).

Key personnel were interviewed to gain an understanding of the office's procedures and controls over expenditures. A nonstatistical sample of expenditures was selected and tested for the appropriate attributes. Supporting documentation was reviewed.

Based on our interviews, review of supporting documentation, and testwork, we determined that expenditures were properly authorized, supported, and processed; payments for travel and cellular phones were made in accordance with applicable policies; and expenditure records were reconciled to STARS. Although we had no findings related to expenditures, a minor weakness was reported to management in a separate letter.

## **EQUIPMENT**

The objectives of our review of the controls and procedures for equipment were to determine whether

- the property listing represented a complete and valid listing of the assets physically on hand;
- equipment purchased during the audit period was correctly added to the property listing; and
- equipment was adequately safeguarded.

Key personnel were interviewed to gain an understanding of the office's procedures and controls over equipment. A copy of the Exception Report for the most recent inventory prepared by the Department of General Services was obtained. The items which the agency had indicated as located were confirmed by physically locating the items and verifying the description, tag number, location, and condition. For those items not located, we verified that each piece of equipment was properly deleted from the Property of the State of Tennessee (POST) system. Supporting documentation was reviewed, and nonstatistical samples of equipment were tested.

Based on interviews, review of supporting documentation, and testwork, we determined that the property listing represented a complete and valid listing of the assets physically on hand and that equipment purchased during the audit period had been correctly added to the property listing. We also determined that equipment was adequately safeguarded.

## **PAYROLL AND PERSONNEL**

The objectives of our review of payroll and personnel controls and procedures were to determine whether

- payroll disbursements were made only for work authorized and performed, and were supported by time records;
- gross pay and related deductions were adequately supported;
- employees who were hired during the audit period were properly paid; and
- leave was taken, accrued, and approved in accordance with office guidelines.

Key personnel were interviewed to gain an understanding of the office's procedures and controls over payroll. A nonstatistical sample of payroll transactions was selected and tested for the appropriate attributes. Personnel files were obtained, and supplemental payroll registers were reviewed for reasonableness and adequate support.

Based on our interviews, review of supporting documentation, and testwork, we determined that payroll disbursements were made only for work authorized and performed, and were supported by time records; that gross pay and related deductions were adequately supported; that employees who were hired during the audit period were properly paid; and that leave was taken, accrued, and approved in accordance with office guidelines.

## **TAX REFUND REVIEWS**

The objective of our review of procedures governing tax refund reviews was to determine whether the office reviewed tax refund claims in a timely manner.

Key personnel were interviewed to gain an understanding of the office's procedures and controls over tax refund reviews. A nonstatistical sample of tax refund claims was selected and tested for timeliness of review.

Based on our testwork, we determined that the Office of the Attorney General and Reporter reviewed tax refund claims in a timely manner.

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## APPENDIX

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### ALLOTMENT CODES

Attorney General and Reporter	303.01
Publication of Tennessee Reports	303.05
Special Litigation	303.08